
Missouri Market Development Program

Annual Report for Fiscal Year 2013

(July 1, 2012 – June 30, 2013)



EIERA
Environmental Improvement and Energy Resources Authority



Missouri Market Development Program

Building Missouri Business

Introduction

Administration

In 1990, the Missouri General Assembly directed the Environmental Improvement and Energy Resources Authority (EI ERA) to establish the Missouri Market Development Program to promote the development and maintenance of markets for recovered materials. The EI ERA is a quasi-governmental agency, with a Governor appointed bi-partisan Board, which serves as the financing arm of the Department of Natural Resources. The EI ERA was selected to house the Missouri Market Development Program in order to bridge economic development and environmental interests.

Purpose

The Missouri Market Development Program promotes the development and maintenance of markets for recovered materials and recycled content products throughout Missouri by providing financial incentives, technical assistance and informational services to businesses, governments and other organizations.

Recycling market development helps to ensure that recycling will expand its role in a sustainable Missouri economy, create jobs, conserve resources, contribute to a quality environment, and reduce reliance on Missouri's landfills for disposal of solid waste.

Funding

To implement this statewide effort, the Missouri Market Development Program was allocated \$800,000 from Missouri's Solid Waste Management Fund in Fiscal Year 2013.

Recycling market development is working

- The Missouri Market Development Program's Fiscal Year 2013 investment in 8 Missouri recycling businesses helped to **leverage more than \$11 million** in total investment, create **50 full time Missouri jobs** and **divert more than 31,000 tons** annually from Missouri landfills. The avoided disposal costs for the materials used in these projects combines to more than **\$1.5 million** each year.



Missouri Market Development Program

Developing markets through cooperation

Partners

The cooperation and assistance of several agencies and organizations have been instrumental in the success of the Missouri Market Development Program.

Department of Economic Development

During the fiscal year, the Missouri Market Development Program continued its working relationship with the Department of Economic Development (DED) in support of program objectives. The Missouri Market Development Program and DED coordinate direct assistance to businesses to improve sales and purchases of Missouri products made from recyclable materials.

Department of Natural Resources

The Missouri Market Development Program works closely with the Department of Natural Resources in its administration of the Solid Waste Management Fund and the Solid Waste Management Program's waste reduction and recycling efforts. The Missouri Market Development Program coordinates priorities and evaluation of activities with the Solid Waste Management Program.

Office of Administration

The Missouri Market Development Program, in cooperation with the Office of Administration, promotes recycling in state agencies. The Missouri Market Development Program works with the Office of Administration on the Missouri Interagency Recycling Council and in development of the annual State of Missouri Recycling and Waste Reduction Report.

Solid Waste Advisory Board

The Missouri Market Development Program provides updates on its activities to the Solid Waste Advisory Board (SWAB). The Solid Waste Advisory Board is made up of the chairperson of each of the 20 Solid Waste Management Districts (SWMD), three citizen representatives and two representatives of solid waste management industry. The SWAB Solid Waste Chair also serves on the MMDP Steering Committee.

Missouri Market Development Program Steering Committee

Staff from the EIERA, DED, and DNR's Solid Waste Management Program comprises the interdepartmental Market Development Program Steering Committee. In Fiscal Year 2013, the Solid Waste Advisory Board Chair was also made a permanent Steering Committee member. The Steering Committee evaluates financial assistance applications and technical assistance proposals submitted to the Missouri Market Development Program and makes funding recommendations to the EIERA board.



Missouri Market Development Program

Developing markets through cooperation

Partners

Missouri Association of Councils of Government

In Fiscal Year 2013, support for the Missouri Market Development Program was made available through an agreement with the Missouri Association of Councils of Government (MACOG). MACOG conducted regional “recovered materials fairs” and continued work on a recycling market development assessment and recommendation study.

Mid-America Council of Recycling Officials

The Missouri Market Development Program represents Missouri on the 14 state Mid-America Council of Recycling Officials (MACRO). As a member of MACRO, the Missouri Market Development Program encourages multi-state recycling, market development, reuse and source reduction efforts.

Missouri Recycling Association

Missouri Market Development Program staff are actively involved in the activities of the Missouri Recycling Association, Missouri’s only collective voice for recycling, waste reduction and sustainability issues.

Missouri Waste Control Coalition

The Missouri Market Development Program supports the efforts of the Missouri Waste Control Coalition.

RecycleMatch/Bridging the Gap

The Missouri Market Development Program continued its partnership with RecycleMatch and Bridging the Gap to provide a free access online materials exchange, the Midwest Materials Market. This market enabled industries to post material available and negotiate sales to potential end users.



Missouri Market Development Program

Business Assistance

FY 2013 Update

Responding to Stakeholders

Prior to Fiscal Year 2013, the program's maximum financial assistance amount was \$50,000. In response to stakeholder feedback, changes to the program were made to provide opportunity to support larger scale projects that provide for greater impact. This has enabled us to help expand businesses such as Cionna Technologies, Inc. that will create sixteen new full-time jobs at its agricultural electronics re-manufacturing facility located in Springfield, and St. Joseph's Plastics that is creating twelve new full-time jobs at its new Sedalia processing plant.

Fiscal Year 2013 Financial Assistance

The Missouri Market Development Program's financial assistance is targeted towards developing and expanding manufacturing capacity in Missouri by assisting businesses with the purchase of equipment needed to enable manufacturing facilities to use recovered materials. Financial Assistance applicants to the Missouri Market Development Program may seek eligibility to request up to \$250,000 towards the purchase of specific equipment needed to manufacture a product from recovered materials or to process materials so that they can be used as manufacturing feedstock. Applications are assigned points in the categories of job creation, annual diversion and the cash match provided by the applicant. Increasing amounts of assistance are available as points scored by an application increase. Any award requires a cash match of at least 25% of the cost of the equipment and a 50% cash match is required to receive the maximum award.

Additional Activities

In addition to the financial assistance offered to Missouri business, the Missouri Market Development Program also provides technical assistance to help remove barriers to using recovered materials in manufacturing, and also assists businesses with locating and procuring recyclable feedstocks and end markets for their recycled-content products. The Program maintained a "Missouri Recycled Products Directory" and the Midwest Materials Exchange, a web based service where businesses can locate or find end users for materials.



Missouri Market Development Program

Business Assistance

FY 2013 Projects

Foam Product Corporation – Maryland Heights

Foam Products Corporation (Maryland Heights) was awarded \$45,750 to purchase a foam densifier costing \$71,500. Foam Products Corporation is a family owned and operated business started in 1962 and is a leading fabricator and distributor of commercial and industrial foam insulation and packaging products. Although committed to waste reduction in its fabrication processes, the company currently generates a large volume of various types of foam scrap. With this project, Foam Products intends to condense its own waste foam as well as provide a foam drop-off center for businesses in the St. Louis area. Foam is a difficult to manage waste material as it is large volume and low weight. Landfill operators are generally not interested in accepting foam in large quantities because of this and because it does not compact well. The densifying equipment enables convenient shipping and ready acceptance by end users for this material. Foam Products Corporation anticipates **diverting at least 52 tons** of its own waste annually and **creating 5 new full time jobs** with this project.

St. Josephs Plastics - Sedalia

St. Joseph Plastic (Sedalia) was awarded \$250,000 to purchase equipment costing \$500,000 to use in a new plant that will be located in Sedalia. The new facility will provide a regional solution for processing post-consumer polypropylene (PP), which is typically baled and exported and often baled and landfilled when export markets close. At the new plant, PP will be washed, dried and pelletized to sell to manufacturing companies that produce plastic components. At this time, no Missouri company washes and dries this type of material. The total cost of the Sedalia plant will be approximately \$900,000. St. Joseph Plastics has been in operation producing plastic regrind and reprocessed pellets since 1990 and currently employs seventy people in its two manufacturing plants and distribution center. St. Joseph Plastics anticipates **diverting 1,875 tons** from the waste stream annually and **creating 12 new full time jobs** with this project.

Lake Area Industries - Camdenton

Lake Area Industries, Inc. (Camdenton) was awarded \$39,000 to purchase an Expanded Polystyrene (ESP) densifier costing \$52,000 to provide foam recycling in the Lake of the Ozarks area. Lake Area Industries (LAI) is a sheltered workshop that has operated for thirty years and currently employs fifty-five people with disabilities. This project proposes to recover the vast amounts of Styrofoam that remain in nuisance dumpsites throughout the Lake area since the 2008 decision by Ameren UE to require all boat dock foam to be converted to encapsulated floats. LAI has already identified over 16,000 cubic yards of foam from immediate processing and has the support of local dock companies, waste haulers, and the local solid waste management district. Lake Area Industries anticipates **diverting a minimum of 200 tons** from the waste stream annually and **creating 2 new full time jobs** with this project.



Missouri Market Development Program

Business Assistance

FY 2013 Projects (continued)

Ciona Technologies - Springfield

Ciona Technologies, LLC (Springfield), was awarded \$250,000 to purchase equipment costing \$723,000 that will enable the company to increase the recovery and remanufacturing of damaged and non-functional electronic devices used in construction and farming. These devices include LCD touchscreen displays, electronic gauge/instrument clusters, and engine control modules, among others. The remanufacturing process matches the same customer requirements as used with manufacturing a new device so that failed parts normally disposed of in a landfill can be returned to the customer for resale. While some similar remanufacturing is occurring in the automotive industry, Ciona is the first major remanufacturer of ruggedized electronics devices for the agriculture and construction industries. The company's clients include John Deere and Case New Holland. Ciona Technologies anticipates **diverting a minimum of 53 tons** from the waste stream annually and **creating 16 to 18 new full time jobs** with this project.

St. Louis Green – St. Louis

St. Louis Green, Inc. (St Louis) was awarded \$75,000 to purchase equipment costing \$191,150 that will enable the organization to collect and recycle post-consumer expanded polystyrene. St. Louis Green is a non-profit organization formed in 2005 dedicated to helping people live more sustainable lives. Besides education, the organization partners with the Cardinals and Rams on stadium recycling, has recycled over 60 tons of holiday lights in the past three years, assists corporations with diverting discarded furniture, and recently acquired and expanded the "pots to planks" program the Market Development Program established with the Missouri Botanical Gardens. St. Louis Green anticipates **creating 2 full time and 4 part time jobs** and **diverting 2,621 tons** from the waste stream annually with this project.

Master Marble, Inc. - Holden

Master Marble, Inc. (Holden), was awarded \$50,000 to purchase of a glass crusher and sorter that will expand the company's use of recycled glass in the production of kitchen counter tops and various other products. Master Marble is a father/son business established in 1987 that grew to \$2.5 million in revenue and employed thirty-eight people manufacturing cultured marble products. The downturn in the economy caused a serious revenue reduction and the company put tremendous effort into developing a unique manufacturing process and product using recycled glass that is making a huge impact on the business. Master Marble produces finished product and sells a unique colored glass aggregate to other manufacturers. The addition of the new sorter and crusher will enable them to continue this growth while **diverting at least 120 tons** from the waste stream annually and **creating 5 new full time and 2 new part time jobs**.



Missouri Market Development Program

Business Assistance

FY 2013 Projects (continued)

Missouri Organics Recycling – Kansas City

Missouri Organics Recycling, Inc. (Kansas City) was awarded \$47,70 to purchase equipment costing \$62,131 that will enable the company to transform large quantities of waste wood into dimensional lumber. Much of the waste wood will be generated by the Emerald Ash Borer destruction of ash trees in the region. It is estimated that there are as many as 400,000 ash trees in Kansas City and over the next ten years, nearly 100% of them will be affected. Missouri Organics is a family owned business established in 1993 to process organics into beneficial mulch and compost products. Missouri Organics is working closely with Kansas City Parks and Recreation Forestry Operations to ensure that the company's capacity can meet the City's needs for the anticipated influx of waste wood. In pursuit of the highest and best use for this wood, Missouri Organics will install a sawmill to convert the urban waste wood into urban lumber whereas currently trees removed by the City are typically landfilled. Several area woodworkers have expressed tremendous interest in using this locally generated urban waste to create new products. Missouri Organics anticipates **creating 1 new full time and 1 new part time jobs** and **diverting 1,000 tons** from the waste stream annually with this project.

Nature's Methane FarmWorks – St. Louis

Nature's Methane FarmWorks (St. Louis), was awarded \$250,000 to purchase a biodigester that will convert organic waste into biomethane used to power two gensets to provide electricity for a 56 unit apartment complex and approximately 800,000 diesel gallon equivalents of vehicle fuel annually. Nature's Methane FarmWorks is a newly formed Missouri entity and subsidiary of Nature's Methane of Markle, Indiana. The FarmWorks project includes the completed rehabilitation of an abandoned industrial building and a totally sustainable development project that involves additional building rehabilitation, vegetable growing and an aquaponics operation. Besides the production of market rate electricity, the anaerobic digester project will allow for the reduction of materials headed for a landfill, reduction of greenhouse gas emissions, the use of natural fertilizers and an alternative vehicle fuel produced at a substantial margin below diesel fuel. Nature's Methane FarmWorks anticipates **creating 3 new full time jobs** and **diverting 26,000 tons** from the waste stream annually with this project.



Missouri Market Development Program

Business Assistance

Summary of FY 2013 Projects

Company	City	Material	Est.Tons Diverted Annually	Est.New Jobs	Award	Investment	Savings
Foam Product Corporation	Maryland Heights	Foam	52	5	\$45,750.00	\$91,500	\$2,484
St. Josephs Plastics	Sedalia	Plastics	1,875	12	\$250,000.00	\$900,000	\$89,568
Lake Area Industries	Camdenton	Foam	5	6	\$39,000.00	\$52,000	\$238
Ciona Technologies, Inc.	Springfield	Electronics	53	16	\$250,000	\$898,000	\$2,531
St. Louis Green	St. Louis	Mixed	2,621	2	\$75,000.00	\$360,160	\$125,205
Missouri Organics Recycling	Kansas City	Wood	1,000	1	\$46,600.00	\$137,983	\$47,770
Master Marble, Inc.	Holden	Glass	120	5	\$50,000.00	\$70,795	\$5,732
Nature's Methane FarmWorks	St. Louis	Organics	26,000	3	\$250,000.00	\$8,900,000	\$1,242,020
TOTALS			31,726	50	\$1,006,350.00	\$11,410,438	\$1,515,548

Savings = \$47.77 per ton average landfill disposal fee per *Waste and Recycling News* survey published 07/09/12



Missouri Market Development Program

Business Assistance

Summary of FY 2013 Active Projects (previously awarded – still open)

In addition to the eight projects awarded in FY 2013, thirteen previously awarded projects were actively managed by the Program during the fiscal year.

Company	City	Material	Est.Tons Diverted Annually	Est.New Jobs	Award	Investment	Savings
Enginuity, LLC	Hartville	Plastics	250	7	\$50,000.00	\$200,000	\$8,750
Remains, Inc.	St. Louis	Textiles	460	3	\$36,250.00	\$72,500	\$16,100
B&G Skid Removal, LLC	New Bloomfield	Wood	3,200	1	\$50,000.00	\$196,000	\$112,000
Dairy Farmers of America	Springfield	Glass	223	0	\$39,818.00	\$374,043	\$7,805
MO Woodworking Specialties	Salem	Wood	98	2	\$39,371.00	\$110,000	\$3,430
Prock Operations, Inc.	St. James	Solid Surface	24	3	\$50,000.00	\$78,900	\$840
EXT, Inc	Excelsior Springs	Plastics	200	2	\$46,000.00	\$60,187	\$7,000
Thomason Bros, Inc.	Mansfield	Food Waste	20,000	9	\$50,000.00	\$175,000	\$700,000
Nike IHM	St. Charles	Plastics	550	4	\$50,000.00	\$400,000	\$19,250
Bryant Plastics	Gainsville	Plastics	240	3	\$50,000.00	\$104,500	\$8,400
Fick Supply Services, Inc.	Wildwood	Wood	18,750	1	\$50,000.00	\$706,746	\$656,250
3-G Processing, LLC	Mountain Grove	Food Waste	260,000	30	\$50,000.00	\$910,000	\$9,100,000
Foundation Workshop, Inc.	Grandview	Plastics	156	2	\$35,500.00	\$47,133	\$5,460
TOTALS			304,151	67	\$596,939.00	\$3,435,009	\$10,645,285

Savings = \$47.77 per ton average landfill disposal fee per *Waste and Recycling News* survey published 07/09/12



Missouri Market Development Program

Technical Assistance

FY 2013 Projects

In Fiscal Year 2013, the Missouri Market Development Program awarded technical assistance to two Missouri businesses.

Atlas Roofing - Perryville

Atlas Roofing Corporation/EPS Division (Perryville), was awarded \$6,525 for technical assistance to identify sources of expanded polystyrene scrap to sustain and grow its current operation of producing insulation from this material. Atlas EPS is a division of Atlas Roofing Corporation, a well-established manufacturer of various roofing products that employs approximately forty people. Atlas EPS specializes in the development and manufacture of expanded polystyrene insulation for construction and packaging products. The goal of this project is to source enough recovered material to avoid substituting virgin materials as the company meets production needs. In 2012, the company was only able to secure enough recovered material to meet thirteen-percent of its production requirements and anticipates a five percent increase in total sales for 2013.

Spectrum ECycle Solutions – St. Louis

Spectrum Ecycle Solutions, Inc. (St. Louis) was awarded \$7,500 towards a project costing \$15,000 that would help the company acquire training necessary to achieve R2 industry certification. R2 stands for “Responsible Recycling Practices for Use in Accredited Certification Programs,” and is a voluntary market based mechanism for assuring best practices. The training would also help the company perform optimally according to R2 best practices. Spectrum Ecycle has been in operation since 2011, providing recycling of all types of electronic and technology equipment. The training and certification will give potential clients assurance that Spectrum Ecycle is following a secure, responsible, and audited process – something Spectrum Ecycle believes will be key to growing its new business.



Missouri Market Development Program

Informational Services

Working Towards Solutions

During the fiscal year, staff advised businesses on market conditions, locating recovered material feedstocks, determining markets, developing products, and creating business presentations. Staff also responded to requests for information on marketing, planning assistance, and markets for recyclables from governments and not-for-profit organizations.

The Program publishes and distributes a *Missouri Recycled Products Directory* listing Missouri manufacturers and distributors of recycled content products. The Missouri Market Development Program assisted businesses, governments, organizations and individuals in locating specific recycled content products.

Information sharing is an important aspect of the Missouri Market Development's efforts to help build Missouri's recycling infrastructure. The Missouri Market Development Program provides resources and informational services to businesses, governments, and other organizations to increase manufacturing, marketing, or purchasing of recycled content products.

Missouri Market Development Program staff promoted Missouri's recycling industry and the "buy recycled" message in speaking engagements and workshops and participated in state, regional and national recycling issue conferences and meetings.

Staff develops and maintains information for a Missouri Market Development Program website and continues to gather and refine information for future web publication. The website enables businesses to download the Missouri Market Development Program Application for Financial Assistance and access other program publications and information.

During the fiscal year, Missouri Market Development Program staff supported and participated in state, region and nation-wide organizations and activities to gain and share knowledge and to develop professional relationships in the areas of recycling, economic development, solid waste, and related environmental or business areas. Active involvement in these initiatives enables Missouri Market Development staff to approach problem solving from many perspectives and better facilitate growth of Missouri's recycling businesses.



Missouri Market Development Program

Outlook

Focusing on Opportunity

Economy

Recycling has a significant bottom line. Recycling market development is a win-win endeavor, providing business opportunity for Missouri entrepreneurs, creating jobs and helping to protect the environment at the same time. Missouri Market Development Program participants are primarily small businesses, often located in rural areas where business development opportunities are limited.

Environment

The environmental impetus for recycling is increasingly timely. Recycling reduces pollution, conserves natural resources, saves energy, reduces greenhouse gas emissions and lessens reliance on landfills for disposal. The environmental benefits of recycling are well established.

Challenges

While recycling is strong in Missouri and in the nation, the recycling industry still faces many challenges. Recycling market prices rise and fall in response to many factors that are difficult to manage on a local level. Low cost manufacturing materials imported into the U.S., global economic downturns and inexpensive disposal rates can all impact the cost of recycling markets. Many recycling businesses still face significant hurdles when trying to secure financing from the investment community. Many resources are still being thrown away instead of recovered for recycling, and recycled content products continue to struggle for prominence in marketplaces.

Opportunities

Recycling, however, is a growth industry with many business opportunities. During the past decades, local, state and national programs have worked together to reduce waste and increase recycling. Many Missouri citizens have already made recycling a part of daily life. As the scale of recovery grows, the cost competitiveness of recycled materials as a substitute for virgin materials will improve. Recycling market development provides a myriad of opportunities for creating and retaining jobs, for encouraging new enterprise and for increasing the competitiveness of existing enterprise.

Missouri Market Development Program

The Missouri Market Development Program continues to draw on the expertise of business owners and operators, government officials, and others knowledgeable and active in recycling market development. Since recycling does not really occur until collected materials are returned to the economic mainstream in the form of products people purchase and use, the Missouri Market Development Program will continue to work to ensure that materials collected are used by manufacturers as feedstocks for products. By converting waste into valuable raw materials, recycling creates jobs, builds more competitive manufacturing industries and adds value to Missouri's economy.



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